1 BEFORE THE POLLUTION CONTROL HEARINGS BOARD STATE OF WASHINGTON 2 3 IN THE MATTER OF STANLEY TAGGARES and DELORES 4 TAGGARES dba TAGGARES RANCHES, 5 Appellants, PCHB Nos. 79-174, 79-175, and 79-176 6 v. FINDINGS OF FACT, 7 STATE OF WASHINGTON, CONCLUSIONS OF LAW DEPARTMENT OF ECOLOGY, AND ORDER j Respondent. 9

This matter, the appeal of orders canceling three permits to appropriate groundwater, came on for hearing before the Pollution Control Hearings Board, Nat W. Washington, Chairman, and David Akana, Member, convened at Yakima, Washington, on September 10, 1980.

Hearing Examiner William A. Harrison presided. Respondent elected a formal hearing pursuant to RCW 43.21B.230.

Appellant Stanley Taggares appeared and represented himself.

Respondent appeared by Laura E. Eckert, Assistant Attorney General.

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Reporter Linda S. Hale recorded the proceedings.

Witnesses were sworn and testified. Exhibits were examined. From testimory heard and exhibits examined, the Pollution Control Hearings Board makes these

FINDINGS OF FACT

I.

This matter arises in an agricultural area about twenty miles east of Yakima and just south of the Yakima Firing Range.

On October 24, 1966, Charles L. Marley applied to the state for three permits to appropriate public groundwater. These applications specified one well in each of three sections of land for the purpose of irrigation. Permits were granted accordingly. Each permit specified that water be put to beneficial use by a date in 1972. For ease of reference the three permits and corresponding wells shall be referred to by their application numbers: 7742, 7802, and 7803.

Marley drilled well 7802 to a depth of some 800 feet at which point the well caved in rendering it unproductive. Marley never began construction of the 7742 or 7803 well. In 1971, one year before the time for putting the public ground water to beneficial use, Marley sold much of the land to be irrigated to appellant Taggares. Although Marley made no progress under the three permits beyond his unsuccessful attempt under 7802, all three permits were held by Marley until assigned to Taggares in 1973.

II.

Within one month after assignment of the three permits, Taggares contracted for the drilling of well 7803. Drilling commenced soon

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after and continued until late 1974. At that point a dispute had arisen between Taggares and his well driller over both the progress The well driller withdrew from the being made and the payment owing. site and filed a suit against Taggares in Benton County Superior This has proceeded upwards to the Supreme Court where it is now pending. Throughout that litigation there has been no order of any court prohibiting Taggares from completing the unfinished works on well 7803. Apparently, opposing counsel in the litigation warned Taggares against it verbally, however. There has been and is no physical impediment to completing development of well 7803. Although the well driller apparently did not release his well log to Taggares, we find that this was no substantial impediment to completing development of well 7803. Taggares has not offered in this matter any written request to obtain the well log under rules of discovery available in the Benton County litigation. Well 7803 is now 708 feet deep and to produce the amount of groundwater set forth in its permit, would need to be some 1,400 feet deep. Taggares estimates that this would take three more years. There has been no attempt to complete development of well 7803 since 1974.

III.

Also within a short time after assignment of the three permits in 1973, Taggares redrilled well 7802, which had caved in, to a depth of 206 feet. At that depth a tool was lost and the well cemented off. The well was test pumped at 650 gallons per minutes whereas its permit calls for 2,250 gallons per minute. Taggares has not sought a certificate for this lesser rate of withdrawal. In 1976, when last

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tested, there was no significant production from well 7802. There has been no attempt to complete development of well 7802 since 1973.

IV.

Taggares has made no attempt to develop well 7742 since the permit was assigned to him in 1973.

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Since the issuance of permit 7803, the Department of Ecology has, at the request of Marley, granted three written extensions of time to apply the public ground water to a beneficial use. Thereafter, it granted seven written extensions at the request of Taggares. These resulted in an extension of the original five-year period to a period of more than twelve years. Throughout these years, Department of Ecology has issued written reminders to Taggares that well constituction was to be completed. Some two years ago the requests for extension were met by Department of Ecology's request for more information substantiating the need for an extension. The Department of Ecology has conducted informal conferences with Taggares expressing its concerns over the repeated and protracted history of extensions. A similar record of written and oral correspondence exists regarding the other two wells, 7802 and 7742.

VI.

Taggares has spent between \$40,000 and \$70,000 in the uncompleted development of well 7803 which ended in 1974. He contends that lack of financing is the reason for his failure to complete development of the three wells in question. At the hearing in this matter, some six years after the last attempt to complete development of any of the

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

three wells, Taggares has not proven a present prospect that he will obtain financing, in the foreseeable future, to complete development of any of the three wells.

VII.

Taggares' lands to be served by the three wells now produce adequate crops of dry land wheat as do other lands in the area.

The State Department of Natural Resources (DNR) applied for a groundwater permit within the section 16 adjacent to the section 15 which is the site of well 7742. This application was made in 1976. Construction of a well began in 1978 and the well has now, in 1980, been completed and test pumped. The DNR well is some 1,300 feet deep.

A person named Changala applied for a groundwater permit within the section 13 adjacent to the sections 18 and 19 which are the sites of wells 7802 and 7803. This application was made in 1979. Construction of a well has begun and has proceeded to a depth of 1,800 feet at an approximate cost of \$225,000.

Taggares' permits for his three uncompleted wells enjoy a 1966 priority date, and thus are senior to the permits of DNR and Changala. Thus, were Taggares to complete his wells under extensions of his 1966 permits, wells of DNR and Changala would be subordinated during times of water shortage and subject to regulation in favor of the Taggares wells notwithstanding that the Taggares well would be last into production.

VIII.

Any Conclusions of Law which should be deemed a Finding of Fact is hereby adopted as such.

From these Findings the Board comes to these

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CONCLUSIONS OF LAW

I.

Subject to existing rights, all waters within the state belong to the public. Water Code--1917 Act, chapter 90.03 RCW; and, see also RCW 90.44.020 extending this principle to groundwater. Applications for permits for appropriation of underground water shall be made in the same form and manner provided in RCW 90.03.250 through 90.03.340.

See RCW 90.44.060.

II.

The pertinent statutory section here is the one dealing with construction of works and placing water to beneficial use after a permit is issued. This is RCW 90.03.320 which provides:

RCW 90.03.320. Appropriation procedure--Construction Actual construction work shall be commenced on any project for which permit has been granted within such reasonable time as shall be prescribed by the supervisor of water resources, and shall thereafter be prosecuted with diligence and completed within the time prescribed by the supervisor. The supervisor, in fixing the time for the commencement of the work, or for the completion thereof and the application of the water to the beneficial use prescribed in the permit, shall take into consideration the cost and magnitude of the project and the engineering and physical features to be encountered, and shall allow such time as shall be reasonable and just under the conditions then existing, having due regard for the public welfare and public interests affected: for good cause shown, he shall extend the time or times fixed as afolesaid, and shall grant such further period or periods as may be reasonably necessary, having due regard to the good laith of the applicant and the public interests affected. If the terms of the permit or extension thereof, are not complied with the supervisor shall give notice by registered mail that such permit will be canceled unless the holders thereof shall show cause within sixty days why the same should not be so canceled.

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If cause be not shown, said permit shall be (Emphasis added.) canceled.

It follows from this that "good cause" to extend the time for

3 applying water to a beneficial use and "good faith," must be evaluated 4 5 with a view toward the diligence shown by the permittee under the 6 initial construction schedule and prior extensions. The permittee 7 herein, Taggares, has not shown diligence in completing the three 8 wells at issue. To the contrary, repeated extensions granted with the 9 understanding that progress would be made have resulted in no attempt 10 to complete the wells for the past six years. The appellant has not 11 shown any present prospect of changed circumstances which lead us to 12suppose that a further extension will be more fruitful than those of

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III.

the past. The appellant has not shown good cause for an extension of

the well construction schedule under his three permits.

The circumstances of this case also show that further extensions of the three permits in question would not be in the public interest as that term is used in RCW 90.03.320, above. This is so because of the diligence of those holding junior permits, DNR and Changala, in developing wells in the close vicinity to appellant's senior but undeveloped permits. Such a condition raises the possibility that those who have diligently applied water to a beneficial use at considerable expense will be subordinate in right to one who has not proceeded with diligence and who would apply water to a

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

beneficial use at an indefinite future time. The United States Supreme Court has said:

"The essence of the doctrine of prior appropriation is beneficial use, not a stale or barren claim. Only diligence and good faith will keep the privilege alive...When these are shown to be lacking, the water right will fail, or fail to the extent that equity requires." Washington v. Oregon, 297 U.S. 517, 527-528 (1936).

The further extension requested by appellant would unfairly handicap those other persons who have diligently worked to put water to beneficial use and would violate the concern for public interest stated in RCW 90.03.320.

IV.

The Department of Ecology correctly canceled appellant's three permits to appropriate public groundwater. The appellant may make new applications for the same quantity of groundwater and same wells as covered by the canceled permits. Such new applications will be of correspondingly lesser priority and will entail construction schedules which must be met with diligence or the permit lost.

v.

Any Findings of Fact which should be deemed a Conclusion of Law is belieby adopted as such.

From these Conclusions the Board enters this

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FINDINGS OF FACT, CONCLUSIONS

27 OF LAW AND ORDER

ORDER

The Department of Ecology orders cancelling appellant's permits number 7742, 7802, and 7803 are hereby affirmed.

DONE at Lacey, Washington, this 10 day of December, 1980.

POLLUTION CONTROL HEARINGS BOARD

NAT W. WASHINGTON, Chairman

DAVID AKANA, Member

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

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CERTIFICATION OF MAILING 1, Jean Rappuhn, certify that I mailed, 3 of the foregoing document on the 1/ day of

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I, Jean Rappuhn, certify that I mailed, postage prepaid, copies of the foregoing document on the <u>relations</u> day of December, 1980, to each of the following-named parties at the last known post office addresses, with the proper postage affixed to the respective envelopes:

Stanley & Dolores Taggares dba Taggares Ranches 2400 West Washington Avenue Yakima, WA 98903

Jeff Goltz Asst. Attorney General Department of Ecology St. Martin's College Olympia, WA 98504

Lloyd Taylor Department of Ecology St. Martin's College Olympia, WA 98504

JEAN RAPPUHN

POLLUTION CONTROL HEARINGS BOARD

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